

109TH CONGRESS  
1ST SESSION

# H. R. 1388

To amend the Internal Revenue Code of 1986 to make permanent the increase in expensing of certain depreciable business assets enacted by the Jobs and Growth Tax Relief Reconciliation Act 2003 and extended by the American Jobs Creation Act of 2004.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2005

Mr. HERGER introduced the following bill; which was referred to the  
Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the increase in expensing of certain depreciable business assets enacted by the Jobs and Growth Tax Relief Reconciliation Act 2003 and extended by the American Jobs Creation Act of 2004.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Small Business Ex-  
5       pensing Permanency Act of 2005”.

1 **SEC. 2. INCREASED EXPENSING FOR SMALL BUSINESS**  
2 **MADE PERMANENT.**

3 (a) **IN GENERAL.**—Paragraph (1) of section 179(b)  
4 of the Internal Revenue Code of 1986 (relating to dollar  
5 limitation) is amended by striking “\$25,000 (\$100,000 in  
6 the case of taxable years beginning after 2002 and before  
7 2008)” and inserting “\$100,000”.

8 (b) **INCREASE IN QUALIFYING INVESTMENT AT**  
9 **WHICH PHASEOUT BEGINS.**—Paragraph (2) of section  
10 179(b) of such Code (relating to reduction in limitation)  
11 is amended by striking “\$200,000 (\$400,000 in the case  
12 of taxable years beginning after 2002 and before 2008)”  
13 and inserting “\$400,000”.

14 (c) **INFLATION ADJUSTMENTS.**—Section  
15 179(b)(5)(A) of such Code (relating to inflation adjust-  
16 ments) is amended by striking “and before 2006”.

17 (d) **REVOCATION OF ELECTION.**—Section 179(c)(2)  
18 of such Code (relating to election irrevocable) is amended  
19 by striking “and before 2006”.

20 (e) **EFFECTIVE DATE.**—The amendments made by  
21 this section shall take effect on the date of the enactment  
22 of this Act.

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